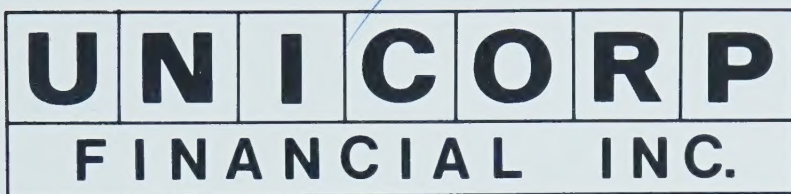


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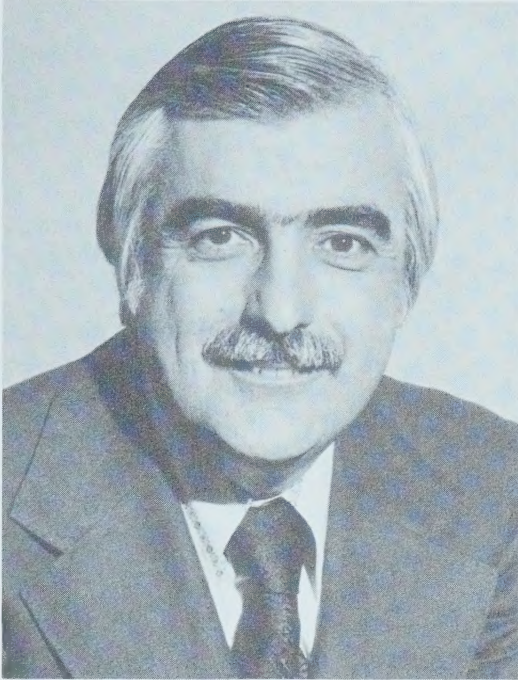
ANNUAL REPORT 1972

U	N	I	C	O	R	P
FINANCIAL INC.						

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President's Report



This is my first report as president and I should like to report to you on what has happened to your company in the current financial period, and on our investment objectives and business philosophy.

Your company has successfully completed its mining activities in the Timmins, Ontario, area. It has sold and received payment in full for the mine and milling equipment amounting to \$275,000.

The company has now been completely reorganized by changing its objects from those referring to mining activities and expanding them to those of a real estate holding and financial investment nature. These changes prompted us to change the name of the company from Canadian Jamieson Mines Limited to one that is more descriptive of the company's activities - Unicorp Financial Inc.

It is the intention of your company to vigorously pursue a policy of real estate development, and the acquisition of income producing properties. It is also intended, as part of the investment activity of your company, to take substantial share positions in companies we feel have long term growth potential. We

have, therefore, purchased 151,400 shares representing a 19% interest in Douglas Leaseholds Limited, a real estate development and holding company whose shares are listed on the Toronto Stock Exchange. The real estate holdings of Douglas Leasehold Limited consist primarily of service stations on long term leases to major oil companies throughout Ontario and Quebec. I have been appointed to the Board of Directors of Douglas Leasehold Limited, and will assist this company in planning its future growth in the real estate development area. In addition, Douglas Leasehold Limited has a substantial interest in Auto Electric Service Company Limited consisting of 130,000 shares being a 21% interest in this company. Your company has purchased an additional 67,375 shares of Auto Electric Service Company Limited which represents 11% interest in the company. Auto Electric Service Company Limited is a well established national distributor of automotive parts and does an annual volume of business in excess of \$30 million. This company is listed on the Toronto Stock Exchange and I am pleased to report that I have been appointed to the Board of Directors as your representative.

The company has decided that in view of its present investment policy a fiscal year-end of December 31st would be more fitting, and this change has been made.

Our results for the nine months ending December 31st, 1972, resulted in earnings from operations of \$113,414 or 3 cents per share before writing off costs resulting from discontinued mining operations amounting to \$287,771 which resulted in an overall net loss of \$174,357 or 7 cents per share.

We are entering 1973 full of confidence for the continued growth of your company.

A handwritten signature in dark ink, reading "George S. Mann". The signature is fluid and cursive, with a long horizontal line extending to the right.

George S. Mann
President

UNICORP FINANCIAL INC.

Consolidated Balance Sheet As at December 31, 1972

(with comparative figures at March 31, 1972)

	December 31, 1972	March 31, 1972
ASSETS		
Cash		\$ 247,944
Short term deposits and notes		3,468,386
Marketable securities, at cost (market value - Dec. 1972 - \$244,543; March 1972 - \$182,384)	\$ 237,339	190,983
Income taxes recoverable	158,197	155,192
Mortgages receivable, 9-1/4% maturing September 1977	1,793,586	
Prepaid expenses and sundry assets	259,881	86,171
Investment in other companies (note 3)	1,563,159	
Income producing properties at cost, less accumulated depreciation Dec. 1972 - \$45,111; March 1972 - \$7,386 (note 2)	3,163,931	432,567
Mining properties, plant, equipment, deferred costs and claims		455,000
	<u>\$7,176,093</u>	<u>\$5,036,243</u>

AUDITORS' REPORT

To the Shareholders of Unicorp Financial Inc.

We have examined the consolidated balance sheet of Unicorp Financial Inc., as at December 31, 1972 and the consolidated statements of earnings, retained earnings and source and use of funds for the nine month period then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

UNICORP FINANCIAL INC.

Consolidated Balance Sheet As at December 31, 1972

(with comparative figures at March 31, 1972)

	December 31, 1972	March 31, 1972
LIABILITIES		
Bank indebtedness (note 4)	45,146	
Accounts payable and accrued charges	202,070	136,598
Mortgages on income producing properties (note 5)	1,813,413	286,755
Notes payable (note 6)	676,931	
	<u>2,737,560</u>	<u>423,353</u>
SHAREHOLDERS' EQUITY		
Capital stock (note 7)		
Authorized -		
5,000,000 shares, par value \$1 each		
Issued -		
2,579,006 shares	2,579,006	2,579,006
Deduct discount (net)	<u>1,053,750</u>	<u>1,053,750</u>
	1,525,256	1,525,256
Retained earnings	<u>2,984,108</u>	<u>3,158,465</u>
	4,509,364	4,683,721
Less cost of 49,000 of the company's own shares (note 7)	<u>70,831</u>	<u>70,831</u>
	<u>4,438,533</u>	<u>4,612,890</u>
	<u>\$7,176,093</u>	<u>\$5,036,243</u>

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board

GEORGE S. MANN, *Director*

JAMES A. MELDRUM, *Director*

In our opinion, these consolidated financial statements present fairly the consolidated financial position of the companies at December 31, 1972 and the results of their operations and the source and use of their funds for the nine months then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada
March 26, 1973

SOBERMAN, ISENBAUM, COLOMBY & NISKER
Chartered Accountants

UNICORP FINANCIAL INC.

Consolidated Statement of Earnings For the nine months ended December 31, 1972

Income		
Rentals	\$169,084	
Interest	163,627	
Dividends	7,306	
Gain on sale of marketable securities	<u>23,872</u>	\$363,889
Expenses		
Property operating expenses	67,575	
General and administrative	84,020	
Mortgage interest	53,959	
Other interest	7,196	
Depreciation	<u>37,725</u>	<u>250,475</u>
Earnings before income taxes and extraordinary items		113,414
Income taxes (note 8)		<u>45,840</u>
Earnings before extraordinary items		67,574
Extraordinary items		
Loss from discontinued mining operations (including mining claims written-off - \$179,999)	287,771	
Reduction in income taxes resulting from terminal loss (note 8) . . .	<u>(45,840)</u>	<u>241,931</u>
Net loss for the period		<u>(\$174,357)</u>
Earnings (loss) per share:		
before extraordinary items03
extraordinary items		<u>(.10)</u>
net loss		<u>\$ (.07)</u>

See accompanying notes to consolidated
financial statements.

UNICORP FINANCIAL INC.

Consolidated Statement of Source and Use of Funds For the nine months ended December 31, 1972

Source of Funds:

Net loss for the period		\$ 174,357
Deduct charges not requiring funds:		
Depreciation	37,725	
Mining claims written-off	179,999	
Incorporation expenses	<u>2,960</u>	<u>220,684</u>
Cash provided from operations		46,327
Proceeds from short term deposits and notes		3,468,386
Mortgage principal proceeds		6,414
Proceeds from sale of mining plant, equipment and deferred mining costs		275,000
Increase in accounts payable		65,297
Decrease in cash		<u>293,090</u>
		<u>\$4,154,514</u>

Use of Funds:

Investment in income producing properties	2,769,088	
Less: mortgages payable thereon	<u>1,557,600</u>	1,211,488
Investment in mortgages receivable		1,800,000
Investments in other companies	1,563,159	
Less: notes payable thereon	<u>676,931</u>	886,228
Increase in prepaid expenses & sundry assets		179,500
Investment in marketable securities - net		46,356
Principal repayments on mortgages payable		<u>30,942</u>
		<u>\$4,154,514</u>

Consolidated Statement of Retained Earnings For the nine months ended December 31, 1972

Balance, April 1, 1972	\$3,158,465
Deduct: net loss for the period	<u>174,357</u>
Balance, December 31, 1972	<u>\$2,984,108</u>

See accompanying notes to consolidated financial statements.

UNICORP FINANCIAL INC.

Notes to Consolidated Financial Statements For the nine months ended December 31, 1972

1. Accounting Policies

(a) Articles of amendment

On October 20, 1972, articles of amendment were issued to the company, which among other things

(i) Changed the name of the company from Canadian Jamieson Mines Limited to Unicorp Financial Inc.

(ii) Varied the objects of the company, by deleting mining, and substituting those of a real estate holding and development, financial and investment nature.

(b) Change in fiscal year end

The fiscal year end of the company was changed to December 31.

(c) Accounting presentation

The consolidated statements of earnings and retained earnings included herewith are not presented on a comparative basis because the nature of the company's operations has changed from a mining company to that of a real estate development and investment holding company, which change, materially affects the comparability.

(d) Subsidiary company

The consolidated financial statements include the accounts of Canadian Jamieson Developments Limited, a wholly owned subsidiary.

2. Depreciation

The company records depreciation on buildings as follows:

Frame buildings	- 10% on diminishing balance basis
Brick buildings	- 5% on diminishing balance basis
Office complex	- 2% on straight line basis.

3. Investment in Other Companies

	Percent interest in Common Shares	Number of Shares	Cost	Quoted Market value Dec. 31, 1972
Douglas Leaseholds Limited	19.6	154,900	\$ 714,935	\$ 480,190
Auto Electric Service Company Ltd.	11.0	67,375	848,224	673,750
			<u>\$1,563,159</u>	<u>\$1,153,940</u>

4. Bank Indebtedness

The bank indebtedness is secured by hypothecation of marketable securities.

5. Mortgages Payable

	<u>Total</u>	<u>Principal due within one year</u>
Several mortgages bearing interest at rates varying from 6-1/2% to 10% and maturing in various years from 1973 to 1987	\$ 526,413	\$ 103,860
21 St. Clair Ave. East, Toronto (a co-tenancy) with interest at prime rate plus 3% and maturing Dec. 31, 1973 (49.5% interest)	<u>1,287,000</u>	<u>1,287,000</u>
	<u>\$1,813,413</u>	<u>\$1,390,860</u>

6. Notes Payable

Notes payable are due in equal annual instalments of \$225,644 each, with interest at 4% per annum, maturing September 25, 1975, and are secured by hypothecation of the shares of Douglas Leaseholds Limited and Auto Electric Service Company Limited described in note 3 above.

7. Capital Stock

By resolution of the Board of Directors, the company is authorized to purchase up to 200,000 shares of its capital stock on the open market at a price not to exceed \$2.05 per share. The company has purchased 49,000 shares at a cost of \$70,831.

8. Income Taxes

During the period under review, the company sold all of its mining plant and equipment resulting in a terminal loss for income tax purposes only. Accordingly, there is approximately \$288,600 available to reduce taxable income for 1973 and subsequent years. The tax reductions resulting from the application of these losses, in the current period, are shown as an extraordinary credit in the consolidated statement of earnings.

9. Remuneration of Directors and Senior Officers

Remuneration paid during the year to directors and senior officers, including the five highest paid employees amounted to \$23,166 for the nine months ended December 31, 1972.

10. Contingent Liabilities

- The company is contingently liable under notes payable on behalf of certain associates, relating to "investment in other companies" (note 7), in the amount of \$676,931.
- The company is contingently liable for all the obligations of a joint venture (21 St. Clair Ave. E., Toronto), in which it has a 49.5% interest. However, against this contingent liability, the company would have a claim upon the assets of its partners.

SOME OF THE BUILDINGS OWNED BY UNICORP FINANCIAL INC.



21 St. Clair Ave. E., Toronto



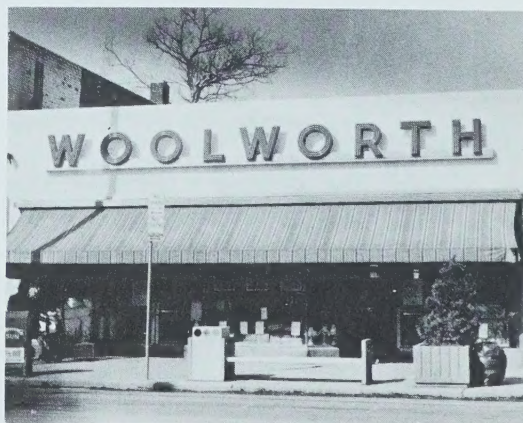
501 Oakwood Ave., Toronto



396 Pacific Ave., Toronto



2322 Bloor St. W., Toronto



519 Danforth Ave., Toronto

DIRECTORS

L. Brenzel
G.S. Mann
D. Mann
J.A. Meldrum, C.A.
L. Waisberg, B.A., LL.B.

OFFICERS

G. S. Mann, *President*
J.A. Meldrum, C.A., *Treasurer*
L. Waisberg, B.A., LL.B., *Secretary*

BANKERS

Bank of Montreal

TRANSFER AGENT

United Trust Company

Counsel

Goodman and Goodman

Auditors

Soberman, Isenbaum, Colomby & Nisker

Shares Traded

Toronto Stock Exchange

